



LYON COUNTY UTILITIES DEPARTMENT

34 Lakes Blvd. Suite 103
P.O. Box 1699
Dayton, Nevada 89403

Phone: (775) 246-6220 Fax: (775) 246-6223
www.lyon-county.org

This Institution is an Equal Opportunity Provider and Employer.

NOTICE

RE: Proposed Water, Sewer & Source Water Fee Increase for the Dayton & Mound House Service Areas

At their regularly scheduled meeting to be held on June 19, 2014, the Lyon County Board of Commissioners will consider a 2.5% water & sewer rate increase for the Dayton & Mound House service area and a \$1 per month source water protection fee for every Lyon County Utilities customer. I am soliciting information from businesses regarding the proposed increase.

As required by NRS 237.080, "Prerequisites to adoption of a rule by local government" the governing body must provide pertinent information to Trade Associations or owners and officers of businesses which are likely to be effected by the proposed rule that they may submit data or arguments to the governing body as to whether the proposed rule will: (a) impose a direct and significant economic burden upon a business; or (b) directly restrict the formation, operation or expansion of a business.

Included with this letter is a summary showing the financial impacts of the proposed rate increases and examples of impacts shown by meter size, by month and the annual estimated increase. As an example, in 2014-15 a casino with 90,000 gallons of water use per month will see a total combined increase of about \$209 per year. A drive-thru-coffee business will see a total combined increase of \$56 per year.

All comments received will be included in my presentation to the Lyon County Board of Commissioners for their consideration of the required Business Impact Statement. Please respond to me in writing by May 13, 2014 with comments. You can also email your comments to me at mworkman@lyon-county.org

Sincerely,

A handwritten signature in blue ink that reads 'Mike Workman'.

Mike Workman
Public Works Director
PO Box 1699
Dayton, NV 89403

Dayton & Mound House Proposed Rate Increase

Presented for Business Impact Statement

Lyon County Utilities is proposing rate increases to both the water and sewer rates for Dayton & Mound House users. The last rate increase for water was July 1, 2009, and the last rate increase for sewer was July 1, 2011. Since the last rate increases, the County has taken measures to reduce expenses which have allowed rates to remain steady without increase. After completing a Rate Analysis this past winter, rates are in need of moderate increases to capture required revenue to cover the increasing operating costs of things such as fuel, energy, chemicals and State permitting.

WATER

Water increases are aimed to yield an annual increase to revenue of 2.50%.

Base Rate:

The first increase will take effect on July 1, 2014. The base rates will consist of a 2.5% increase per year for five years. Each rate increase will be implemented on July 1st of each year.

Water Base Rate Structure						
Meter Size	Existing	2014	2015	2016	2017	2018
0.75"	\$23.00	\$23.58	\$24.16	\$24.77	\$25.39	\$26.02
1"	\$31.17	\$31.95	\$32.75	\$33.57	\$34.41	\$35.27
1.5"	\$50.10	\$51.35	\$52.64	\$53.95	\$55.30	\$56.68
2"	\$68.34	\$70.05	\$71.80	\$73.59	\$75.43	\$77.32
3"	\$116.95	\$119.87	\$122.87	\$125.94	\$129.09	\$132.32
4"	\$171.65	\$175.94	\$180.34	\$184.85	\$189.47	\$194.21
6"	\$195.89	\$200.79	\$205.81	\$210.95	\$216.23	\$221.63
8"	\$247.43	\$253.62	\$259.96	\$266.46	\$273.12	\$279.94
Low Income	\$15.41	\$15.80	\$16.19	\$16.59	\$17.01	\$17.44

* Rate increases to go into effect July 1 of each year

Commodity Rate:

The commodity rate will also consist of a 2.5% increase per year for five years. Each rate increase will be implemented on July 1st of each year.

Water Commodity Rate Structure					
Cost per 1,000 gallons					
Existing	2014	2015	2016	2017	2018
\$2.83	\$2.90	\$2.97	\$3.05	\$3.12	\$3.20

* Rate increases to go into effect July 1 of each year

** Water allowed in base rate to remain at 5,000 gallons

Groundwater Impact Fee:

The groundwater impact fee shall be established at this time to provide funding for storm water planning and capital improvements, and protecting groundwater quality. This fee will be \$1.00 per month for each water customer (5,727); yielding an annual revenue of \$68,724.00.

Groundwater Impact Fee Structure						
Existing	2014	2015	2016	2017	2018	
\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	

SEWER

Commercial and industrial sewer rates include a base rate and commodity rate. Only businesses connected to the municipal sewer system will be impacted.

Base Rate:

The first increase will take effect on July 1, 2014. The first increase is \$0.90 to the base rate for all customers. For commercial and industrial customers, that is an increase of 4.3%. The base rate will be increased 2.5% on July 1 of each of the subsequent 4 years.

Sewer Base Rate Structure						
Class	Existing	2014	2015	2016	2017	2018
Residential	\$52.50	\$53.40	\$54.74	\$56.10	\$57.51	\$58.94
Multi Family	\$47.75	\$48.65	\$49.87	\$51.11	\$52.39	\$53.70
Commercial	\$21.01	\$21.91	\$22.46	\$23.02	\$23.59	\$24.18
Industrial	\$21.01	\$21.91	\$22.46	\$23.02	\$23.59	\$24.18

* Rate increases to go into effect July 1 of each year

Commodity Rate:

Commercial and Industrial customers are subject to a sewer commodity charge in addition to the base rate. The sewer commodity rate will increase 2.5% per year for 5 years.

Sewer Commodity Rate Structure						
Cost per 1,000 gallons						
Existing	2014	2015	2016	2017	2018	
\$3.83	\$3.93	\$4.02	\$4.12	\$4.23	\$4.33	

* Rate increases to go into effect July 1 of each year

** Overage Rate shall remain at 1,000 gallons

EXAMPLES

Water:

Meter Size	Use	Existing			Proposed 2014			Monthly Difference		Annual Increase
		Base	Commodity	Total	Base	Commodity	Total	\$	%	
3/4"	5,000	\$23.00	\$0.00	\$23.00	\$23.58	\$0.00	\$23.58	\$0.58	2.52%	\$6.96
	15,000	\$23.00	\$28.30	\$51.30	\$23.58	\$29.00	\$52.58	\$1.28	2.50%	\$15.36
	22,000	\$23.00	\$48.11	\$71.11	\$23.58	\$49.30	\$72.88	\$1.77	2.49%	\$21.24
1"	5,000	\$31.17	\$0.00	\$31.17	\$31.95	\$0.00	\$31.95	\$0.78	2.50%	\$9.36
	15,000	\$31.17	\$28.30	\$59.47	\$31.95	\$29.00	\$60.95	\$1.48	2.49%	\$17.76
	22,000	\$31.17	\$48.11	\$79.28	\$31.95	\$49.30	\$81.25	\$1.97	2.48%	\$23.64
1.5"	5,000	\$50.10	\$0.00	\$50.10	\$51.35	\$0.00	\$51.35	\$1.25	2.50%	\$15.00
	15,000	\$50.10	\$28.30	\$78.40	\$51.35	\$29.00	\$80.35	\$1.95	2.49%	\$23.40
	22,000	\$50.10	\$48.11	\$98.21	\$51.35	\$49.30	\$100.65	\$2.44	2.48%	\$29.28
2" Casino	90,000	\$68.34	\$240.55	\$308.89	\$70.05	\$246.50	\$316.55	\$7.66	2.48%	\$91.90
3" Industrial	50,000	\$116.95	\$127.35	\$244.30	\$119.87	\$130.50	\$250.37	\$6.07	2.49%	\$72.88
1" Irrigation	175,000	\$31.17	\$481.10	\$512.27	\$31.95	\$493.00	\$524.95	\$12.68	2.48%	\$152.15

Sewer:

Category	Customer	Use	Existing			Proposed 2014			Monthly Difference		Annual Increase
			Base	Commodity	Total	Base	Commodity	Total	\$	%	
Industrial	Industrial User	43,000	\$21.01	\$164.69	\$185.70	\$21.91	\$168.99	\$190.90	\$5.20	2.80%	\$62.40
		93,000	\$21.01	\$356.19	\$377.20	\$21.91	\$365.49	\$387.40	\$10.20	2.70%	\$122.40
Commercial	Drive-thru Coffee	224,000	\$21.01	\$857.92	\$878.93	\$21.91	\$880.32	\$902.23	\$23.30	2.65%	\$279.60
		18,000	\$21.01	\$68.94	\$89.95	\$21.91	\$70.74	\$92.65	\$2.70	3.00%	\$32.40
Commercial	Gas station / sandwich shop	24,000	\$21.01	\$91.92	\$112.93	\$21.91	\$94.32	\$116.23	\$3.30	2.92%	\$39.60
		6,000	\$21.01	\$22.98	\$43.99	\$21.91	\$23.58	\$45.49	\$1.50	3.41%	\$18.00
Commercial	Casino	10,000	\$21.01	\$38.30	\$59.31	\$21.91	\$39.30	\$61.21	\$1.90	3.20%	\$22.80
		82,000	\$21.01	\$314.06	\$335.07	\$21.91	\$322.26	\$344.17	\$9.10	2.72%	\$109.20
		108,000	\$21.01	\$413.64	\$434.65	\$21.91	\$424.44	\$446.35	\$11.70	2.69%	\$140.40